

# APPLICATION INSTRUCTIONS

## SUBMITTAL INSTRUCTIONS

Applications for a grant under the HOME Homebuyer and Rehabilitation (HHR) Housing program and the Housing Cost Reduction Initiative (HCRI) Homebuyer program must follow the format prescribed below. Please number all pages of your completed application consecutively, including all appendices.

An original and one copy of the complete application must be submitted by ***Monday, June 16, 2008***. Applications, which are not properly completed and/or not received, postmarked, or identified by a commercial carrier processing date on or before June 16, 2008, will be returned to the sender without further consideration. Hand delivered applications must be received at Division of Housing by 4:00 p.m. on June 16, 2008. Once submitted, applications are considered final.

Please submit the application to:

Betty Kalscheur, Program Manager  
HCRI &HOME Housing Program  
Division of Housing & Community Development  
Wisconsin Department of Commerce  
201 W. Washington Avenue, 5<sup>th</sup> Floor (53703)  
P. O. Box 7970  
Madison, WI 53707-7970

# TABLE OF CONTENTS

(Instructions)

Title Page and Submittal Authorization .....	2
HOME Certification Form .....	4
Section A: Interagency Cooperation.....	5
Section B: Budget Summary .....	6
Section C: HCRI Capacity Building .....	7
Section D: Administrative Budget.....	8
Section E: Other Resources .....	9
Section F: Narrative .....	10
Section G: Rental Rehabilitation Narrative .....	12
Section H: Implementation Schedule .....	14
Section I: Applicant Profile.....	15
Section J: Appendices .....	16
Map of the service area	
Collaborative Agreements	
Working Agreements/Letters	
Letters of Commitment of Other Resources	
Curriculum for Post-Purchase Counseling (if applicable)	
Marketing Plan	

## TITLE PAGE AND SUBMITTAL AUTHORIZATION

The following items must be completed for an application to be considered for funding:

- ◆ the applicant name, mailing address of main office (if more than one office),
- ◆ the street address of main office,
- ◆ FEIN #.
- ◆ Agency Email: Please provide the email address for the person at the agency designated to receive announcements/information pertaining grants.

Contact: Provide the name, telephone number, and email of the person who prepared the application and can answer questions related to the information contained in the application.

**SUBMITTAL AUTHORIZATION:** An official authorized to sign for the applicant must execute the submittal authorization. Only ORIGINAL signature will be accepted, not photocopies.

Total funds requested: include the total of administrative funds and housing activity funds requested for HOME Single-Family and Rental Housing and HCRI Homebuyer.

Proposal Time Span: All contracts will begin October 1, 2008. Upon signing of the contract by all parties and submission of required contract information the initial allocation of funds will be released.

A progress review will occur fall 2009. The final allocation of funds will be released based upon successful progress under the contract.

**There will be NO application funding round in 2009.**

All housing activity(s) undertaken under this contract must be completed no later than December 31, 2010. Grantees may complete and closeout contracts prior to the end of the performance period.

## HOME CERTIFICATION FORM

The official signing the SUBMITTAL AUTHORIZATION must also review and sign the certification form regarding the use of HOME funds and lobbying. Only an ORIGINAL signature will be accepted on this document.

**NOTE:** There is no certification form for the HCRI program.

## SECTION A: INTERAGENCY COOPERATION

### **Collaborative Application**

Complete questions 1-3 only if more than one agency will be responsible for administering funds received with this proposal. Do NOT complete this section if the applicant will be administering the entire contract or will be selecting a consultant for administrative services.

1. List the names of all collaborating agencies, including the applicant. Identify the activity for which the funds will be used (homebuyer, owner rehab, rental). Indicate total amount (housing plus administration) that each agency will receive if the application is funded as presented.

Include a letter signed by each participating agency that outlines the terms of the collaboration. At a minimum the letter should include information on activities, service area, and percentage of total housing and administrative funding to be received.

For example:

AGENCY NAME	ACTIVITY	AMOUNT (\$)
Sure Lock Homes	New Construction	100,000.00
ABCAP, Inc.	Rental Rehab	100,000.00
Home Fixers, Inc.	Owner Rehab	175,000.00
TOTAL		375,000.00

2. Describe the payment method from the applicant to collaborating member(s). For example, does each agency receive a specific dollar amount or percentage of the award; each agency undertakes specific activities and administers the funds associated with that activity. How will administrative funds be paid out to each collaborating agency?
3. Who retains program income? Are repayments available to participating agencies or only to applicant agency?

### **Working Agreements**

Identify other agencies with which you have understandings or agreements. These understandings/agreements may relate to either services or referrals. Include a letter from each agency outlining the agreement.

Applications must include documentation of contact with CDBG grantees, Independent Living Center(s), and/or Weatherization service providers in your service area.

If an agency with which you have a collaborative or working agreement is contributing match or leverage funds that will be used in conjunction with the HOME/HCRI funds proposed in this application, include that information in Section D: Other Resources.

## SECTION B: BUDGET SUMMARY

Complete the form by supplying the amount of funding requested for each activity proposed in this application and the number of households to be assisted.

Please note:

- ◆ Funding is broken out by initial (Year 1) and final (Year 2) allocation. For a breakdown of the funding allocation by region see page 4 of GENERAL PROGRAM INFORMATION.
- ◆ HOME activities are divided between Homebuyer, Owner-occupied, and Rental housing (See pages 6 and 7 in GENERAL PROGRAM INFORMATION for definition of specific activities).
- ◆ Administrative funds are separate—do not include in the housing assistance line.
- ◆ Number of households to be assisted is broken out by income level and allocation year. The incomes of homebuyer and owner-occupied households receiving assistance must not exceed 80% of the county median income (CMI). The incomes of households occupying HOME-assisted rental units must not exceed 60% CMI at time of occupancy (See Attachment A). If a single rental activity assists more than 5 units 20% of the units must be rented to households at  $\leq 50\%$  CMI at time of occupancy.

**Sub-total Housing Assistance:** this is the total amount of HOME housing assistance funding being requested for the proposed activities.

### Administration:

- ◆ The maximum for HOME = 11% of the housing assistance funds requested.

**Total HOME Request:** this is the sum of the housing assistance requested plus the administration funds requested.

**HOUSING COST REDUCTION INITIATIVE (HCRI):** The HCRI budget for homebuyer assistance, foreclosure prevention, administration, and capacity building is separate. HCRI funds are not broken down into two phases, as HOME is. Write the total amount you are requesting for the total contract period.

The maximum administration for HCRI = 15% of the HCRI housing assistance funds requested.

The maximum capacity building funding is \$5,000 with a 1:1 match.

**Check your addition!**

## SECTION C: HCRI CAPACITY BUILDING

1. Funds requested for capacity building must enhance your agency's ability to provide assistance to HCRI clients.

Eligible costs include:

- ◆ training for staff (risk assessment, inspection, homebuyer education/counseling);
- ◆ counseling/case management staff salary and fringe benefit costs;
- ◆ costs for translators or translation of materials to serve clients with limited English proficiency;
- ◆ office equipment (computers and associated software, internet access, printer, copier, fax).

Maximum funding request for capacity building is \$5000. The funds requested for capacity-building activities require a 1:1 match. Total funding available for this budget item is dependent on the number and quality of applications received.

2. Tell us how this funding will enable your agency to better serve the population identified as beneficiaries of HCRI funding. Your description of the activity to be funded must include and will be evaluated on:
  - ◆ commitment of other resources that will be used for this activity;
  - ◆ whether this is a new service or expansion of a service currently offered;
  - ◆ how will this service continue when HCRI assistance ends (resources that will replace HCRI);
  - ◆ for training activities: how will this enable the agency to provide improved assistance to housing clients.

Please limit your response to one page.

3. Complete the table in the application with information on funds that will match those requested for capacity building.

## SECTION D: ADMINISTRATIVE BUDGET

This section provides information on the use of administrative funds for purposes other than salary of staff and day-to-day operational costs.

Contractual services: This includes such items as legal, audit, inspection, and consultant costs paid with administrative funds. Funded applicants will need to complete a Request for Proposal for these services to be eligible HOME/HCRI expenses.

Fees charged to program beneficiaries and/or third parties: This includes both out-of-pocket charges and costs rolled into the mortgage. Examples of fees may include inspection fees, risk assessments, mortgage recording fees, counseling/education fees, subordination, construction administration. Funding sources may be program beneficiary, HOME/HCRI administration or HOME/HCRI housing assistance, other resources identified in Section D.

Fees rolled into the program beneficiary's mortgage must be reasonable and necessary. These are considered project-related soft costs and may not exceed 10% of the activity cost. The one exception to this is payments for relocation services.

## SECTION E: OTHER RESOURCES

The resources listed as matching or leveraging the HOME/HCRI housing assistance must be directly related to the HOME/HCRI activities proposed in this application. The chart must be completed showing the housing activity that the funds support (homebuyer, homeowner rehab, rental rehabilitation), the source of the funding, the amount committed, the page(s) in the Narrative where the use of the funding is discussed, and the Appendix page where the funding commitment is documented.

See pages 9-11 in the GENERAL PROGRAM INFORMATION for a detailed description of HOME Match and Leverage.

See page 14 in the GENERAL PROGRAM INFORMATION for a description of HCRI Leverage.

Do NOT include program income under Other Resources. DHCD grants already awarded to an applicant or revolving loan funds from prior HCRI, HRA, HBR, HSF, or RRP grants are not sources of leverage for the purposes of this application.

**Commitment Letters:** Letters committing funding must be included in the Appendix section of the application.

Commitment letters must include the following information:

- ◆ Time period during which the funds will be available to the applicant.
- ◆ The specific dollar amount being committed.
- ◆ What the funds may be used for and what HOME activity the funds support.
- ◆ Signature of person who is authorized to commit funds on behalf of the source.
- ◆ Typed on letterhead, include name and telephone number of person making the commitment.

For local units of government committing their funds a resolution containing the availability, dollar amount, and use of funds is acceptable.

For applicants committing their agency funding, a letter signed by the CEO/Executive Director stating the time period the funds will be available, the dollar amount, and the use of the funds is acceptable.

Commitments of volunteer labor and/or services must indicate the type of service, the housing activity being supported, the amount and cost of volunteer time/services, and the time period during which the services are available. If a value greater than \$10.00/hour is used to calculate volunteer time, provide justification of the higher rate.

Letters from organization/individuals providing donations that will be used for housing activities must include a list of the items donated, estimated value/cost, and the time period during which the donation may be secured.

## SECTION F: NARRATIVE

Information provided in these sections will help us understand what you plan to do with the funds, the population(s) to be served, why this service area needs assistance.

### I. Service Area

List the geographic area to be served by this proposal broken out by county, municipality, and or town. For example, Jefferson County or City of Appleton and the Cities and Towns of Neenah and Menasha.

Provide a map of the service area that clearly identifies the boundaries of the service area. For example, outlines the border of the city, county or town. If specific sites or subdivisions have been identified where activities will take place please indicate their location on the map.

HCRI applicants: Please check the geographic region where the majority ( $\geq 51\%$ ) of HCRI funds will be spent (see page 13 in GENERAL PROGRAM INFORMATION for definitions of the three geographic regions)

### II. Program Design

The information requested in A. Program Assistance and B. Housing Affordability should be presented for each type of assistance sequentially. i.e., present all the information for homebuyers, then homeowner rehab, etc.

- **New construction programs** and **self-help-housing programs** must utilize designs that ensure the unit(s) being constructed is visitable for handicapped individuals.
- **Homebuyer programs** must require the homebuyer to provide a cash contribution from the buyer's resources. The minimum cash contribution is: \$250 for buyers at  $\leq 30\%$  CMI, \$500 for buyers at 31-50% CMI, \$1,000 for buyers at 51-80% CMI.
- **Homebuyer programs** must provide homebuyer education prior to closing. (see page 9 of GENERAL PROGRAM INFORMATION)
- **Owner-occupied Rehabilitation:** Homeowner rehabilitation **activities that include refinancing must include post-purchase counseling.** Post-purchase counseling must include: Budgeting, Seasonal maintenance of your home, Home repairs, Homeowner's insurance, Property taxes.

#### A. **Program Assistance:**

1. **Amount of assistance:** Fill in the average amount of assistance the proposed program will provide a household for the proposed program activity.

For homebuyer programs utilizing both HOME and HCRI include information for each funding source.

2. **Use of Other Resources:** How is amount determined? Are other resources always utilized along with the HOME/HCRI assistance?
3. **Program income:** Describe what activity the funds will support, how many additional units will be completed as a result of the use of program income.

#### B. **Housing Affordability:**

HUD's definition of affordability is for a household to pay no more than 30% of their annual income on housing. If the applicant's program defines "affordable" differently, provide the applicant's definition.

#### 1 - 2. **HOME PURCHASE, OWNER OCCUPIED REHABILITATION, AND/OR NEW CONSTRUCTION**

- a. **Assistance ensures affordability:** When assistance is approved, how do you determine that the unit is affordable? If it does not meet the definition of “affordable” what steps do you take? Will you help a homeowner refinance to ensure affordability of the home?
- b. **Basis for assistance amount:** Discuss how the amount of HOME assistance needed for an applicant is determined. Do you provide 100% of the rehab assistance? Is the homeowner required to provide a portion of the funds for rehab activities? Do you look at debt-to-income ratios for homeowners?
- c. **Terms and conditions of assistance:** Is assistance provided as a grant, a loan, or some combination; interest rate; payment structure—deferred, monthly, forgivable. How often can recipients of owner-occupied rehabilitation request assistance —1 time per contract, 1 time per year, only one time, up to a maximum dollar amount.  
Payment of assistance: Will assistance be provided directly to bank for home purchase? Directly to rehab contractors? Will assistance be a single party or two--party check.
- d. **Snapshot of a typical household in your service area (Homebuyer only):** Provide an example of how affordability is determined for homebuyers by completing the table for a “typical” homebuyer. You will need to make assumptions about family size and income. Housing purchase price should be based on information from your service area. Homeowner costs should reflect the actual costs in the service area for utilities, taxes, and/or mortgages.

### 3. HCRI FORECLOSURE ASSISTANCE

- a. **Provide a description of your program, including:**
  - Needs in your service area
  - Affordability: determining homeowner’s ability to pay forward and how you determine the first mortgage will be affordable long-term (monthly payment, debt ratio).
- b. **Amount of Assistance:** Explain how this is determined.
- c. **Terms and conditions of assistance:** Is assistance provided in the form of a grant, loan? Single payment vs. multiple payments?
- d. **Foreclosure Counseling:** Who will be providing counseling services? Trained agency staff or a working agreement with a foreclosure counseling agency?

### III. Program Beneficiaries

How do you market your program to reach your target population, assure underserved populations are aware of the program, and reach special needs populations?

Include a copy of your marketing plan in the Appendix.

Do you have priorities for assisting rehab applicants? How often are waiting lists updated?

## SECTION G: RENTAL REHABILITATION NARRATIVE

Complete this section if you are applying for HOME funds to provide rehabilitation assistance to existing rental properties.

### I. Service Area

List the geographic area to be served by rental rehabilitation funds, broken down by county, municipality and/or town. Include a service area map, if possible.

If your agency has already identified a building which is intended to provide rehab assistance, please provide a map of the specific sites where rehab will take place please indicate their location on the map.

### II. Program Design

#### A. Program Assistance:

1. **Amount of assistance:** Fill in the average amount of assistance per unit the proposed program will provide for rental rehabilitation.
2. **Use of Other Resources:** How is amount determined? Are other resources always utilized along with the HOME assistance?
3. **Program Income:** Describe how (or if) program income will support rental rehabilitation, and how many additional units will be completed as a result of the use of program income.

#### B. Housing Affordability

HUD's definition of affordability is for a household to pay no more than 30% of their annual income on housing. If the applicant's program defines "affordable" differently, provide the applicant's definition.

1. **Assistance ensures affordability:** Are landlords required to provide a cash flow analysis prior to receiving assistance?
2. **Basis for assistance amount:** Discuss how the amount of HOME assistance needed for a rental property is determined. Is the owner/landlord required to provide a portion of the funds for rehab activities?
3. **Terms and conditions of assistance:** Describe your financing strategy. Is assistance provided to the landlord as a grant, a loan, or some combination; interest rate; payment structure—deferred, monthly, or forgivable? Payment of assistance: Directly to rehab contractors? Will assistance be a single party or two--party check.
4. **Monitoring:** When assistance is approved, how do you determine that the landlord will maintain affordability? Describe how your agency plans to monitor throughout the affordability period. How is annual income certification done? All tenants at the same time or during their lease renewal? Discuss your process for ensuring that units are rented to eligible tenants throughout the affordability period. What is the process used to verify that the correct rent is being charged for HOME-assisted units.

#### C. Tenant Procedures

Describe how you notify current and/or prospective tenants of the HOME Rental Rehab program project, and what may take place in their residence. Please include a copy of your Tenant Assistance Policy and Relocation Notice, if applicable.

### **III. Program Beneficiaries**

Do you have a rental project identified at the time of application? If yes, describe.

Do you have a waiting list of rental rehab projects? Describe your process for prioritizing the assistance given to landlords for rehab assistance.

Include a copy of your marketing plan in the appendix.

How do you market your program to reach your target population, assure underserved populations are aware of the program and reach special needs populations?

## SECTION H: IMPLEMENTATION SCHEDULE

Provide a breakdown by quarter of activities to be accomplished. Contracts will begin October 1, 2008, so the first quarter will end December 31, 2008. The schedule should indicate activities that will be completed by the end of each quarter; including number of homebuyer, owner-occupied households, and rental units to be assisted. You may include a breakout for the specific project areas within the activities.

**HCRI:** If HOME and HCRI are being used together to provide acquisition assistance, please provide the number of units in both homebuyer assistance and HCRI areas. If you choose to use HCRI funds for both foreclosure prevention and acquisition assistance, include both amounts in the HCRI line, or you may add a line to separate the two activity types.

All activities must be completed by December 31, 2010.

All payment requests and the Contract Completion Report form must be submitted no later than February 1, 2011.

Provide an implementation schedule by calendar quarter including the number of households to be assisted per quarter. Break out the households by buyer, owner, rental for HOME activities.

## SECTION I: APPLICANT PROFILE

Include information on agency and/or staff experience with successful implementation of the type of housing activity proposed in this application. Include past owner-occupied rehabilitation, homebuyer, and rental rehabilitation programs.

Have you implemented similar programs using other funding sources? Describe.

Include information on the number of units that were completed in a calendar year.

What was the average time taken to complete a job?

If this is a collaborative application, please provide information regarding the other agency(s) experience with housing programs.

Staff positions. Which staff positions will administer the housing program? List the duties for that position. What percent of that position time is dedicated to the various HOME duties?

Example:

POSITION	DUTIES	% OF TIME
Administrator	Application Intake, income verification	30%
Inspector	HQS Inspection- Initial, follow-up and final, Risk Assessment	50%

HCRI Foreclosure Program: If applicant staff is providing counseling, provide information on training/credentials of counselor.

## **SECTION J: APPENDIX**

Map of the service area

Collaborative Agreements

Working Agreements/Letters

Letters of Commitment of Other Resources

Curriculum for Post-Purchase Counseling (if applicable)

Marketing Plan